

## Message Text

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12/47

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 SAJ-01 SAM-01 OMB-01 CIEP-01 TRSE-00 EB-04

STR-01 COME-00 AGR-05 SWF-01 FRB-01 EUR-08 NIC-01

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P R 240912Z OCT 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC PRIORITY 2639

INFO USLO PEKING

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

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C O R R E C T E D C O P Y (PARA 8.)

E.O. 11652: N/A

TAGS: ETRD, CH

SUBJ: ATTENDANCE AND PRICES DOWN AT THE CANTON FAIR

REF: PEKING 1794

SUMMARY: ATTENDANCE APPEARS TO BE DOWN AT THE FAIR BUT THE MOOD OF RESTRAINT AMONG BUYERS ON THEIR WAY TO THE FAIR HAS BEEN LIGHTENED SOMEWHAT BY REPORTS OF A FALL IN TEXTILE PRICES. THE OPENING BANQUET SPEECH AT THE 36TH CANTON TRADE FAIR LINKED FOREIGN TRADE CLOSELY WITH CHAIRMAN MAO'S REVOLUTIONARY LINE WHILE GIVING LIP SERVICE TO INDEPENDENCE AND SELF-RELIANCE. (SIMILAR THEMES WERE EXPOUNDED AT LENGTH IN PEOPLE'S DAILY; SEE PEKING 1794.) END SUMMARY

ATTENDANCE AND TRADE

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1. ATTENDANCE AT THE OPENING BANQUET THIS FALL WAS REPORTED TO BE 6,000. THAT IS 500 MORE THAN AT THE SPRING FAIR WHEN THE PRC WAS AT PAINS TO ASSURE FOREIGN BUSINESSMEN THAT THE CRITICISM MOVEMENT WOULD NOT AFFECT FOREIGN TRADE, BUT IT IS ALSO 500 LESS THAN AT THE FALL 1973 FAIR. ALTHOUGH NOT ENTIRELY COMPARABLE BECAUSE FOREIGN EXPORTERS WERE INCLUDED AT THE 1973 FALL FAIR, THIS FALL'S ATTENDANCE RAISES THE QUESTION OF WHETHER SOME BUSINESSMEN ARE NO LONGER SO ANXIOUS TO TRAVEL TO CANTON IN VIEW OF DEPRESSED BUSINESS CONDITIONS AT HOME AND NARROWED PROFIT MARGINS ON CHINESE GOODS.

2. HENRY BRADSHAW, A WASHINGTON STAR-NEWS JOURNALIST, ON HIS RETURN FROM CANTON TOLD A CONGENOFF THAT FOR THE FIRST WEEK OF THE FAIR BUYER ATTENDANCE FROM THE U.S. IS ABOUT THE SAME AS AT SPRING FAIR, FROM FRANCE AND ITALY IS DOWN MARKEDLY, AND FROM GERMANY AND U.K. IS DOWN SOMEWHAT. SOME OVERSEAS CHINESE, WHO ARE USUALLY ALL PUT UP AT THE OVERSEAS CHINESE MANSION, WERE GIVEN ROOMS AT THE TUNG FANG HOTEL, WHICH IS USUALLY FULL OF WESTERNERS, AND THIS MAY BE ANOTHER INDICATION OF REDUCED FAIR ATTENDANCE.

3. A JAPANESE CONGENOFF HERE OPINED THAT JAPANESE ATTENDANCE MIGHT BE LESS THAN 2,000, DOWN FROM THE 2,500 BUSINESSMEN WHO WERE AT THE SPRING FAIR. IN COMMENTS ON OTHER ASPECTS OF THE FAIR, HE SAID THAT THE PRC IS NOW ALLOWING QUANTITY PRICE DISCOUNTS FOR LARGE TEXTILE PURCHASES. THE RAW SILK PRICE IS NOW 42 RMB PER UNIT FOR EUROPEANS, DOWN FROM THE PRICE OF 68 RMB AT THE SPRING FAIR, BUT THE JAPANESE DO NOT INTEND TO BUY ANY RAW SILK AT THIS FAIR DUE TO LARGE STOCKS AT HOME. JAPANESE BUSINESSMEN HAVE MADE FEW PURCHASES SO FAR, AND HE BELIEVES THAT TOTAL PRC SALES AT THE FAIR MAY DROP BELOW THE SPRING FAIR'S LEVEL. HE CONFIRMED BRADSHAW'S COMMENT THAT THE CHINESE ARE ANXIOUS TO SELL.

#### ATMOSPHERICS

4. OFFICIAL PRC ATTENDANCE WAS SAME AS THE SPRING FAIR;  
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FAIR DIRECTOR, LIN LI-MING, AND FOREIGN TRADE VICE MINISTER, CHOU HUA-MIN, AGAIN SPOKE AT FESTIVITIES. THE ONLY CHANGE IN FAIR MANAGEMENT NOTED DOES NOT SEEM SIGNIFICANT. CHANG KEN-SHENG REPLACED LIU TIEN-FU AS A DEPUTY DIRECTOR OF THE FAIR. BOTH ARE LISTED AMONG THE VICE CHAIRMEN OF THE KWANGTUNG PROVINCIAL REVOLUTIONARY COMMITTEE ATTENDING THE FAIR BKNQUET.

5. THE SPRING FAIR OPENING BANQUET SPEECH INCLUDED THE PHRASE /SUPPLYING EACH OTHER'S NEEDS IN FOREIGN TRADE." PERHAPS EMBARRASSED BY INABILITY FULLY TO SUPPLY EXPORT DEMANDS, AND FOREIGN AID REQUIREMENTS (SEE VIENTIANE 7606), THE PHRASE WAS CHANGED THIS FALL TO "EXCHANGING WHAT ONE HAS FOR WHAT ONE NEEDS." (BUT THE OCTOBER 15 PEOPLE'S DAILY ARTICLE ON FOREIGN TRADE (PEKING) USED THE FORMER PHRASE CONSISTENTLY WITH NO HINT OF THE LATTER FORMULATION.)

6. TWO OTHER CHANGES LINK FOREIGN TRADE MORE CLOSELY WITH CHAIRMAN MAO'S REVOLUTIONARY LINE WHILE STILL PAYING LIP-SERVICE TO THE CURRENT SLOGANS ON INDEPENDENCE/SELF-RELIANCE, AND RETURN TO THE WAR PREPARATION THEME. IN THE SPRING SPEECH, " THE GUIDANCE OF CHAIRMAN MAO'S REVOLUTIONARYLINE" WAS LINKED TO THE ANTI-CONFUCIUS ANTI-LIN MOVEMENT, WHILE THE FALL SPEECH DESCRIBES CHINA'S FOREIGN TRADE AS "FAST DEVELOPING" UNDER CHAIR-MAO MAO'S REVOLUTIONARY LINE AND THE PRINCIPLE OF INDEPENDENCE AND SELF-RELIANCE.

7. ALTHOUGH THE CONTEXT IS SOMEWHAT AMBIGUOUS, THE INTENT MAY BE A COUNTER-ATTACK ON THE SELF-RELIANCE THEME BY STRESSING THE CONTRIBUTIONS THAT FOREIGN TRADE HAS MADE TO CHINA'S ACHIEVEMENTS. IN THIS CONNECTION, WE NOTE THAT THE FIRST PARAGRAPH OF THE PEOPLE'S DAILY ARTICLE SAYS FOREIGN TRADE " HAS DEVELOPED RAPIDLY AND IS PLAYING AN INCREASINGLY NOTICEABLE ROLE IN PROMOTING SOCIALIST CONSTRUCTION IN OUR COUNTRY." (THIS SENTENCE COULD ALSO SERVE THE FUNCTION OF PREPARING THE POPULATION FOR THE INFLUX OF FOREIGN TECHNICIANS TO INSTALL THE WHOLE PLANTS PURCHASED LAST YEAR.)

8. EXHORTATIONS TO PREPARE FOR WAR WERE NOT MENTIONED AT LIMITED OFFICIAL USE

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ALL IN THE SPRING FAIR SPEECH, BUT SLOGANS WITH THIS THEME ARE TWICE MENTIONED IN THE LATEST SPEECH. IN A JAMES JOYCE LIKE PENULTIMATE SENTENCE, THE SLOGAN "DIG TUNNELS DEEP, STORE GRAIN EVERYWHERE, AND NEVER SEEK HEGEMONY," IS FOLLOWED BY "GRASP REVOLUTION, PROMOTE PRODUCTION AND OTHER WORK AND PREPAREDNESS AGAINST WAR," FOLLOWED BY AN EXHORTATION TO "WORK HARD" TO FULFILL THE PLAN "SO AS TO RUN CHINA'S AFFAIRS WELL." SINCE RECENT VISITORS TO PEKING REPORT THAT CHINA IS NO LONGER SO FEARFUL OF A SOVIET INVASION THE LINKING OF THESE SLOGANS AND THE EXHORTATION SUGGESTS AN EFFORT TO INVOKE PATRIOTISM AS ONE MEANS TO GET PEOPLE BACK TO WORK.  
CROSS

UNQUOTE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, POLICIES, SLOGANS, FOREIGN TRADE, CANTON TRADE FAIR, REPRESENTATION AT CEREMONIES, PRICES, SPEECHES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740309-0367  
**From:** HONG KONG  
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**Legacy Key:** link1974/newtext/t19741021/aaaaaraf.tel  
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**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** PEKING 1794  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUL 2002 by shawdg>; APPROVED <11 MAR 2003 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ATTENDANCE AND PRICES DOWN AT THE CANTON FAIR  
**TAGS:** ETRD, CH  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005